

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

W. T. GRANT COMPANY



50th *Annual Report* 1956

BOARDS
9658.27
G16:32

W. T. GRANT COMPANY

Founded in 1906 at Lynn, Mass.

EXECUTIVE AND BUYING OFFICES. . . . 1441 BROADWAY, NEW YORK 18, N. Y.

DIRECTORS

WILLIAM T. GRANT,
Chairman

JOHN G. BYLER

JOSEPH W. CHINN

HOWLAND S. DAVIS

RAYMOND H. FOGLER

CLAYTON E. FREEMAN

HERBERT K. GARGES

M. F. KETZ

WILLIAM L. KLEITZ

J. LUTHER KNIES

LOUIS C. LUSTENBERGER

WARD MELVILLE

EDWARD STALEY

ROBERT R. UPDEGRAFF

OFFICERS

WILLIAM T. GRANT. *Chairman of the Board*

EDWARD STALEY. *Vice Chairman and President*

LOUIS C. LUSTENBERGER. *Exec. Vice President*

J. LUTHER KNIES. *Merchandise Vice President*

GORDON ANDERSON. *Vice President*

M. F. KETZ. *Vice President and Comptroller*

WARREN G. FINNAN *Treasurer*

CHARLES W. RIVOIRE. *Secretary*

GEORGE W. MIDDLETON. *Assistant Comptroller*

Guaranty Trust Company of New York, Transfer Agent
Bankers Trust Company, New York, N. Y., Registrar



*Mr. William T. Grant, founder
and Chairman of the Board.
Mr. Grant, in his 81st year, continues
to take an active interest in the
Company's progress.*

THE STORY IN BRIEF

Fiscal years ended January 31,

1957

1956

Sales	\$380,915,043	\$351,848,626
Earnings before taxes	\$ 18,493,187	\$ 20,395,053
Provision for Federal income taxes	\$ 9,555,000	\$ 10,685,000
Amount per common share	\$3.86	\$4.35
Cents per sales dollar	2.5¢	3.0¢
Net earnings after taxes	\$ 8,938,187	\$ 9,710,053
Cents per sales dollar	2.3¢	2.8¢
Earnings per common share	\$3.38	\$3.72
Dividends paid per preferred share	\$3.75	\$3.75
Dividends paid per common share	\$2.00	\$1.80
Total dividends paid	\$ 5,496,399	\$ 4,970,822
Earnings retained in the business	\$ 3,441,788	\$ 4,739,231
Depreciation and amortization	\$ 4,814,479	\$ 4,581,113
Merchandise inventories	\$ 61,725,684	\$ 60,819,730
Working capital	\$ 57,808,160	\$ 57,124,716
Fixed assets	\$ 36,795,025	\$ 33,759,527
Total salaries and wages	\$ 67,191,148	\$ 59,759,495
Other employee benefits	\$ 4,148,668	\$ 3,636,172
Total compensation and other benefits	\$ 71,339,816	\$ 63,395,667
Cents per sales dollar	18.7¢	18.0¢
Book value common stock — per share	\$35.69	\$33.00
Number of preferred stockholders	678	710
Number of common stockholders	6,018	5,929
Number of stores at year end	632	574

W. T. GRANT COMPANY

1441 BROADWAY, NEW YORK 18, N. Y.

TO THE STOCKHOLDERS:

This is our 50th annual report to stockholders. It presents the results for the fiscal year ended January 31, 1957, comparative financial statements, and the report of Ernst & Ernst, independent public accountants appointed by the Board of Directors.

SALES — Sales for the year were \$380,915,043, an increase of \$29,066,417, or 8.3% over 1955.

The increase in sales came from new and enlarged stores opened during 1955 and 1956. Identical stores, which are stores that were in operation during the full years 1955 and 1956, had a net sales decrease of 3.7%.

The 1956 sales include customer installment plan sales of \$33,582,880, or 8.8% of the total Company sales, which compares with \$25,185,125 and 7.2% in 1955. The customer installment plan is now in operation in all Grant stores.

EARNINGS — For 1956, net earnings after taxes were \$8,938,187 which, after dividends on the preferred stock, equalled \$3.38 per share of common stock on 2,475,143 shares outstanding at the year end.

In 1955, net earnings were \$9,710,053 or \$3.72 per share of common stock on 2,457,633 shares outstanding at the end of that year.

The 1955 earnings were computed on the LIFO method of valuing inventories. The 1956 earnings, on the other hand, reflect the opening inventory valued on the LIFO method, and the closing, or January 31, 1957, inventory valued on the retail inventory method, as formerly used. The reason for the change is that effective February 1, 1956, the Company re-adopted the retail inventory method. As indicated in Note A of the notes to financial statements, had the Company continued to use the LIFO method throughout 1956, it is estimated that the year's net earnings as reported would have been approximately \$600,000 lower.

During 1956, the Company decided that its claim to the right to use retroactive LIFO cannot be sustained in view of repeated denials by the Internal Revenue Service. This matter has been pending since 1949 and involved the years 1941 through 1949. In accordance with this decision, respective data for years 1941 to 1949, inclusive, have been restated on the retail inventory method, as formerly used, in a 50 year summary that will be found on pages 18 and 19 of this report.

The reserve for reduction in inventory valuation less tax refunds, if retroactive LIFO were sustained, which amounted to \$3,214,118 at January 31, 1956, has been restored to earnings retained for use in the business. There remains in the balance sheet \$1,635,000 in recoverable taxes as a result of the abandonment of retroactive LIFO.

The lower 1956 net earnings are principally attributed to a reduction in profit in identical stores due to their sales decrease. This 1956 sales performance showed the effect of more competition faced by downtown stores from shopping centers and slower business conditions in the farming and automotive areas. Although the stores opened in 1955 and 1956 account for most of the increase in expenses, this group turned in sales at a profit margin that more than covered their expenses.

TAXES—The provision for the fiscal year 1956 federal income taxes was \$9,555,000 which compares with \$10,685,000 for 1955. This year's tax provision was equal to \$3.86 per share of common stock, which compares with \$4.35 per share for 1955.

DIVIDENDS AND RETAINED EARNINGS—During 1956, the regular quarterly dividends totalling \$3.75 per share were paid on the preferred stock. On the common stock, dividends totalling \$2.00 per share were paid, which compares with \$1.80 per share paid in 1955. Total dividends paid out in 1956 were \$5,496,399, which compares with \$4,970,822 for 1955.

After dividends, net earnings retained for use in the business were \$3,441,788, compared to \$4,739,231 in 1955.

FINANCIAL POSITION—As shown by the following table, working capital increased \$683,444 during 1956:

	<u>January 31, 1957</u>	<u>January 31, 1956</u>
Total current assets	\$86,741,640	\$83,247,852
Total current liabilities	28,933,480	26,123,136
Working capital	<u>\$57,808,160</u>	<u>\$57,124,716</u>

Merchandise inventories on hand and in transit at January 31, 1957 totalled \$61,725,684, or \$905,954 above last year. The increase is due to new and enlarged stores. Inventories are in good relationship to sales.

At January 31, 1957, installment receivables from customers totalled \$20,147,386 of which \$10,925,705 had been sold to various banks. At the end of the previous year, these receivables totalled \$14,873,228 of which \$6,341,355 had been sold.

INVESTMENT IN ZELLER'S LIMITED—The Company's investment in Zeller's Limited, a Canadian corporation operating stores in Canada similar to stores operated by the W. T. Grant Company in the United States, amounts to \$3,616,036. This investment is described in detail in Note B of the notes to financial statements.

Dividends received from this investment in 1956 totalled \$207,335 which compares with \$193,641 in 1955.

Zeller's had a good performance in 1956, which was its twenty-fifth year of operation. This included a sales increase of 13.4% and an improvement in net earnings compared with 1955. Although the earnings for 1956 have not yet been released, it is significant that Zeller's Board of Directors at its meeting on March 21, 1957 declared a quarterly common stock dividend of 30 cents per share. This is an annual rate of \$1.20, compared with \$1.00 for 1956.

During 1956, Zeller's established a program of expansion which resulted in the addition of 8 new stores and included the enlargement and modernization of 5 existing stores. At the end of 1956, Zeller's had 60 stores compared with 53 at the end of 1955. A program of continued expansion is anticipated in the years ahead.

CAPITAL PROGRAM— In 1956, the Company completed 96 capital program projects, compared with 79 in the previous year. The 1956 program included the opening of 71 new stores, which compares with 61 new stores opened in 1955. Of the year's new stores, 64 were in park-and-shop locations and 7 were in downtown locations. In addition, 24 existing stores were relocated, enlarged, or modernized.

At the year end, 632 stores were in operation, including 4 temporarily closed while under construction. At the end of the previous year, 574 stores were in operation, including 3 temporarily closed. The net increase of 58 stores is accounted for by the 71 new stores opened during 1956, less 13 stores that were permanently closed during the year. A list of the new W. T. Grant stores opened during the year will be found on page 20 of this report.

A new distribution center was completed and opened in Fort Wayne, Indiana. This is the Company's second such center, the other being in Metuchen, New Jersey. Improvements were made to the Company's home office in New York City.

The 1956 net capital program expenditures for construction and equipment were \$8,461,000. This compares with \$7,100,000 in 1955.

In connection with the capital program, the Company continued to open and convert stores on the so-called check-out basis of operation. At the year end, it had 108 such stores. Present plans call for additional check-out stores in 1957. This method of operation provides quicker service to customers.

For 1957 occupancy, construction had started on 60 projects at the year end. This includes 48 new stores in park-and-shop centers; 1 new downtown store; and relocation, enlargement, and modernization of 11 existing stores. It is estimated that the 1957 net capital expenditures will approximate those of 1956.

PERSONNEL AND ORGANIZATION— At the year end, the Company had approximately 28,900 employees, which includes part-time people, and compares with 27,800 a year ago.

Salaries and wages for the year totalled \$67,191,148 which is \$7,431,653 above 1955. In addition, 1956 employee benefits amounted to \$4,148,668 which compares with \$3,636,172 for the previous year. Among the benefits, \$1,137,819 was contributed by the Company to the employee's retirement plan compared to \$1,195,878

in 1955; and \$2,179,389, was paid by the Company for social security taxes for future employee benefits, compared with \$1,809,317 in 1955.

Total salaries, wages, and benefits amounted to \$71,339,816 or 12.5% above the \$63,395,667 in 1955. This year's amount was equal to 18.7 cents of each sales dollar, compared to 18.0 cents in 1955.

The increase in salaries and wages is accounted for not only by the new and enlarged stores but also by the completion of a program extending to all employees a work week of not more than 40 hours, and by increased wage rates.

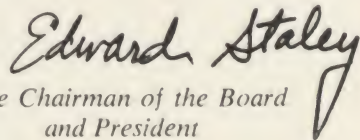
At the February 19, 1957 meeting of the Board of Directors, R. W. Rosevear, Store Expansion Director, was elected a Vice President and R. J. Kelly, Attorney in the Legal Division, was elected Assistant Secretary.

OTHER COMMENTS — In completing its fiftieth year, the Company is most appreciative of the contributions made to its performance throughout the years by its employees and by its thousands of suppliers.

The 1956 results were not as satisfactory as we had hoped they would be. As to 1957, we believe the year will be as competitive as any in our history. However, we also believe that, with the continued cooperation of our employees and suppliers, we will have a satisfactory performance, including a continued steady program of expansion.



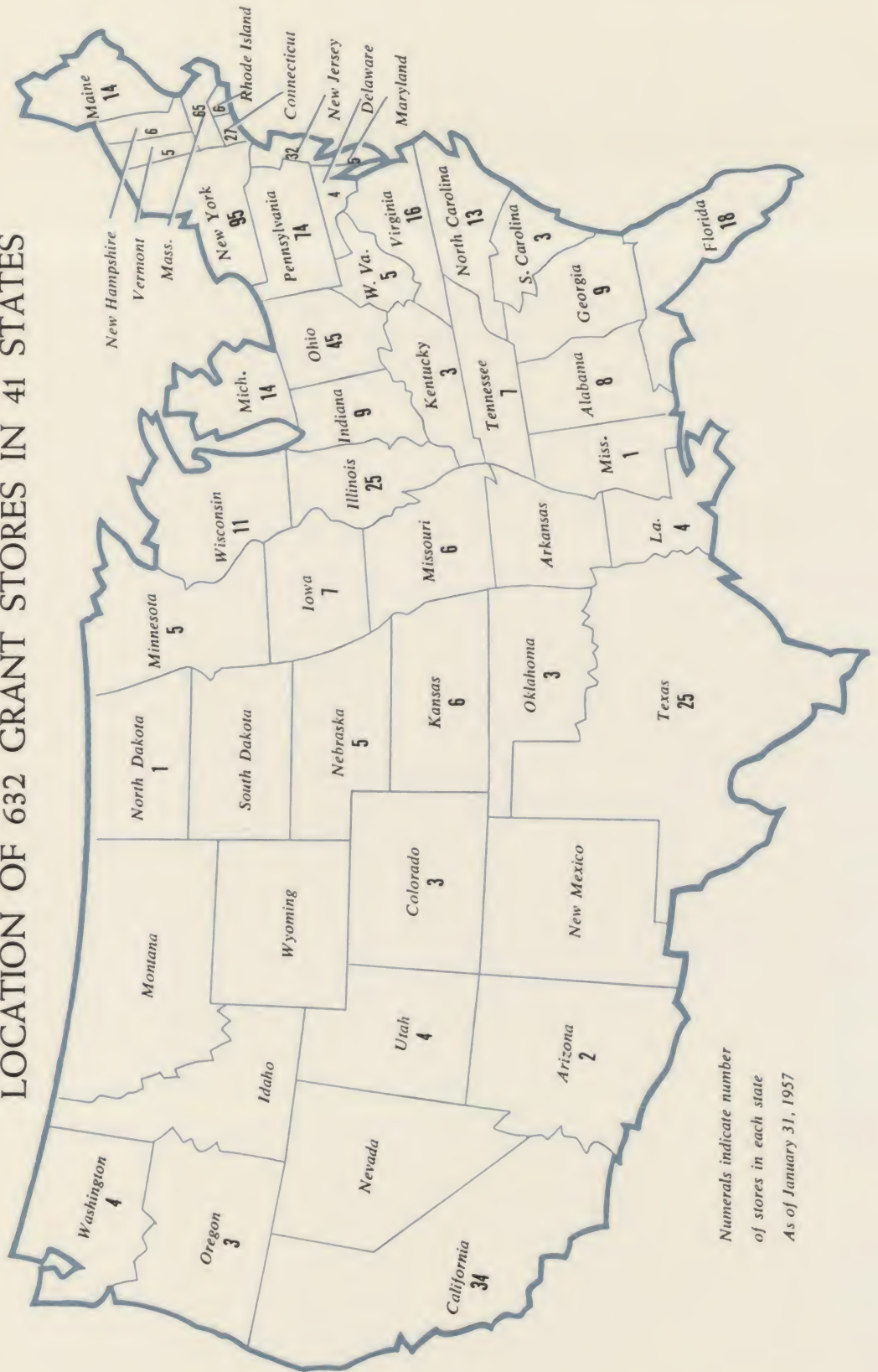
Chairman of the Board



*Vice Chairman of the Board
and President*

April 3, 1957.

LOCATION OF 632 GRANT STORES IN 41 STATES



Numerals indicate number
of stores in each state
As of January 31, 1957

W. T. GRANT COMPANY

STATEMENT OF OPERATIONS

Fiscal years ended January 31,

	1957	1956
SALES	\$380,915,043	\$351,848,626
Cost of merchandise sold and operating expenses	357,224,005	326,764,354
	\$ 23,691,038	\$ 25,084,272
ADD:		
Interest earned	83,078	66,220
Other income	216,385	217,318
	\$ 299,463	\$ 283,538
	\$ 23,990,501	\$ 25,367,810
DEDUCT:		
Depreciation and amortization	4,814,479	4,581,113
Interest paid	474,424	209,577
Other deductions	208,411	182,067
Provision for federal taxes on income — Note D	9,555,000	10,685,000
	\$ 15,052,314	\$ 15,657,757
NET EARNINGS FOR THE YEAR	\$ 8,938,187	\$ 9,710,053
DEDUCT:		
Cash dividends:		
On 3¾% Cumulative Preferred Stock: Four quarterly dividends of 93¾¢ each per share	562,506	562,506
On Common Stock: Four quarterly dividends of 45¢ each per share	—	4,408,316
Four quarterly dividends of 50¢ each per share	4,933,893	—
	\$ 5,496,399	\$ 4,970,822
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS	\$ 3,441,788	\$ 4,739,231
ADD:		
Earnings of prior years retained for use in the business	66,863,617	62,124,386
Restoration of reserve for reduction in in- ventory valuation (net of taxes) relative to LIFO — Note A	3,214,118	—
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR — Note E	\$ 73,519,523	\$ 66,863,617

(See notes to financial statements.)

W. T. GRANT COMPANY

ASSETS

January 31,

	1957	1956
CURRENT ASSETS		
Cash	\$ 15,363,742	\$ 13,452,115
U. S. Government securities, at redemption value	—	118,580
Accounts receivable:		
Customers installment accounts not sold	9,221,681	8,531,873
Equity in customers installment accounts (\$10,925,705 and \$6,341,355, respectively) sold	1,092,572	634,135
	\$ 10,314,253	\$ 9,166,008
Less allowances	1,928,620	1,459,393
	\$ 8,385,633	\$ 7,706,615
Other accounts receivable, claims, etc.	1,266,581	1,150,812
Total accounts receivable, net	\$ 9,652,214	\$ 8,857,427
Merchandise inventories (including merchandise in transit) — Note A	61,725,684	60,819,730
TOTAL CURRENT ASSETS	\$ 86,741,640	\$ 83,247,852
OTHER ASSETS		
Investment in Zeller's Limited, at cost—Note B	3,616,036	3,616,036
Cash surrender value of life insurance	2,869,063	2,779,356
Recoverable taxes pertaining to retroactive LIFO — Note A	1,635,000	1,635,000
Sundry receivables and deposits	908,713	829,116
TOTAL OTHER ASSETS	\$ 9,028,812	\$ 8,859,508
COMMON STOCK OF W. T. GRANT COMPANY		
At cost, held for Deferred Contingent Compensation Plan (7,800 and 5,900 shares, respectively) — Note C	233,684	158,226
STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS		
Buildings, at cost	185,000	462,936
Furniture and fixtures, at cost	45,122,495	38,473,267
Improvements to leased properties, at cost	15,322,638	15,463,243
	\$ 60,630,133	\$ 54,399,446
Less allowances for depreciation and amortization	24,037,170	21,132,368
	\$ 36,592,963	\$ 33,267,078
Land, at cost	202,062	492,449
TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS	\$ 36,795,025	\$ 33,759,527
DEFERRED CHARGES		
Prepaid taxes, rents and insurance, supplies, etc.	2,491,750	2,190,246
	\$135,290,911	\$128,215,359

STATEMENT OF FINANCIAL POSITION

LIABILITIES, RESERVES, AND CAPITAL

January 31,

	1957	1956
CURRENT LIABILITIES		
Accounts payable and accrued expenses . . .	\$ 23,959,603	\$ 23,020,193
Federal taxes on income — estimated, less U. S. Government securities amounting to \$4,969,578 and \$8,951,539, respectively — Note D	4,973,877	3,102,943
TOTAL CURRENT LIABILITIES	\$ 28,933,480	\$ 26,123,136
RESERVES		
For reduction in inventory valuation, less tax refunds, if retroactive LIFO is sustained— Note A	—	3,214,118
For uninsured risks	1,500,000	1,500,000
For repainting stores	1,037,395	916,496
For deferred contingent compensation — Note C	255,249	195,815
TOTAL RESERVES	\$ 2,792,644	\$ 5,826,429
CAPITAL		
Capital Stock:		
Cumulative Preferred — \$100 par value — Note E:		
Authorized 250,000 shares		
Issued 150,000 shares of 3¾ % series	15,000,000	15,000,000
Common — \$5 par value — Notes B, C, and F:		
Authorized 3,000,000 shares		
Issued 2,482,943 and 2,463,533 shares, respectively	12,414,715	12,317,665
Capital paid-in in excess of par value of shares issued	2,398,942	1,878,418
Amounts paid by officers and employees under purchase contracts for 88,225 and 80,780 shares, respectively, of unissued Common Stock	231,607	206,094
	\$ 15,045,264	\$ 14,402,177
Earnings retained for use in the business — Note E	73,519,523	66,863,617
TOTAL CAPITAL	\$103,564,787	\$ 96,265,794
	\$135,290,911	\$128,215,359

(See notes to financial statements.)

NOTES TO FINANCIAL STATEMENTS . . .

January 31, 1957

NOTE A — The financial statements for the six years ended January 31, 1956 have reflected the adoption as of January 31, 1950 of the LIFO method of determining cost of inventories. At January 31, 1957, inventories in stores are stated at the lower of cost or market as determined by the retail inventory method and certain other inventories, principally those in warehouses and in transit, are stated at invoice cost. Consequently, the earnings for the year ended January 31, 1957 reflect the use of opening inventories based on the LIFO method and closing inventories based generally on the retail inventory method. In connection with the discontinuance of the use of the LIFO method, approval of which was obtained from the Treasury Department in May 1956, certain changes in procedures were adopted during the year, which made it impracticable to determine the cost of inventories at the year end under that method. For this reason, only an estimate could be made of the effect of this change on the results for the year. This estimate indicates that the 1956 net earnings as reported would have been approximately \$600,000 less if the use of the LIFO method had been continued.

In addition to the aforementioned change, the Company during 1956 abandoned its claim, filed with the Treasury Department, to the right to use LIFO retroactively to 1941. Hence, the reserve of \$3,214,118 for reduction in inventory valuation (net of taxes) is no longer required and has been restored to earnings retained for use in the business.

NOTE B — The investment in Zeller's Limited consists of 190,500 shares of common stock. The Company has agreed to purchase by February 1, 1960, from Walter P. Zeller and his associates an additional 184,500 shares at \$18.25 (Canadian) per share. The sellers may elect to receive, in lieu of cash, presently authorized but unissued shares of the Grant Company's Common Stock at the ratio of 1 share for each 2 shares of Zeller's common stock (representing a maximum of 92,250 shares of Grant Company's Common Stock). Inasmuch as the 184,500 shares are in escrow with the voting rights vested in the Company, it has voting control of 50% of Zeller's common stock. During 1956, the Company received \$207,335 in dividends on its investment in Zeller's common stock.

NOTE C — The amount shown for the reserve for deferred contingent compensation at January 31, 1957 represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company, the cost to the Company of 7,800 shares of its Common Stock held for this purpose, plus provision for 529 additional shares at the January 31, 1957 market price, plus (b) the total of small balances remaining in participants' contingent cash allotments. For the fiscal year 1956, the amount charged to earnings for this purpose was \$66,838.

NOTE D — In accordance with the practice followed since inauguration in 1946, gross profits on sales on the installment basis are reflected in the financial statements of the Company when the sales are made, whereas for federal income tax purposes, such gross profits are reported as income as collections are received. At January 31, 1957, approximately \$2,025,000 for deferred federal taxes on installment sales is included in current liabilities.

NOTE E — The 3¾ % Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 (par value) per share plus accrued dividends to date of redemption.

So long as any of the Cumulative Preferred Stock remains outstanding, there are certain restrictions with respect to payment of dividends (other than stock dividends) on, and purchase of, Common Stock. At January 31, 1957, approximately \$63,000,000 of earnings retained for use in the business was free of such restrictions.

NOTE F — At January 31, 1957, 192,100 shares of the Company's unissued Common Stock were reserved under the Employees' Stock Purchase Plan. Contracts for the sales, on a deferred payment basis, are made at approximate market prices at dates of contracts. Shares are issued after completion of payments.

NOTE G — At January 31, 1957, the Company was lessee of real property under 654 leases expiring subsequently to January 31, 1960, at aggregate annual minimum rentals of approximately \$13,726,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$6,570,000 minimum annual rentals under 278 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for 24 leases which were on a percentage of sales basis without any specified minimum annual rentals.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
W. T. GRANT COMPANY
NEW YORK, N. Y.

We have examined the financial statements of W. T. Grant Company for the year ended January 31, 1957. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and operations present fairly the financial position of W. T. Grant Company at January 31, 1957, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles, which, except for the change (with which we concur) referred to in Note A of notes to financial statements, have been applied on a basis consistent with that of the preceding year.

ERNST & ERNST

New York, N. Y., March 29, 1957

COMPARATIVE STATEMENT OF OPERATIONS

	<i>(fiscal year which ends January 31 of subsequent calendar year)</i>				
	1956	1955	1954	1953	1952
SALES	\$380,915,043	\$351,848,626	\$317,157,138	\$299,767,741	\$283,240,067
LESS:					
Cost of merchandise sold and operating expenses	357,224,005	326,764,354	294,433,836	277,268,038	261,025,974
	23,691,038	25,084,272	22,723,302	22,499,703	22,214,093
ADD:					
Interest earned	83,078	66,220	152,872	249,762	170,381
Other income	216,385	217,318	206,557	239,031	123,595
	23,990,501	25,367,810	23,082,731	22,988,496	22,508,069
DEDUCT:					
Depreciation and amortization	4,814,479	4,581,113	4,215,288	3,739,806	3,361,339
Interest paid	474,424	209,577	124,455	154,197	108,345
Other deductions	208,411	182,067	158,278	174,710	143,059
Provision for federal taxes on income	9,555,000	10,685,000	9,975,000	10,035,000	10,090,000
Provision for federal excess profits taxes	—	—	—	940,000	1,235,000
	8,938,187	9,710,053	8,609,710	7,944,783	7,570,326
Refund (net) of federal taxes on income, under Section 722	—	—	145,751	99,767	—
NET EARNINGS FOR THE YEAR	8,938,187	9,710,053	8,755,461	8,044,550	7,570,326
DEDUCT:					
Preferred dividends	562,506	562,506	562,506	562,506	562,506
Common dividends	4,933,893	4,408,316	3,648,259	3,625,258	3,602,205
ADD:					
Miscellaneous adjustments	3,214,118	—	—	23,505	—
Earnings of prior years retained in the business	66,863,617	62,124,386	57,579,690	53,699,399	50,293,784
Accumulated earnings retained, at end of year	\$ 73,519,523	\$ 66,863,617	\$ 62,124,386	\$ 57,579,690	\$ 53,699,399

COMPARATIVE STATEMENT OF FINANCIAL POSITION

(at end of fiscal year January 31 of subsequent calendar year)

	1955	1954	1953	1952
ASSETS:				
Cash	\$ 15,363,742	\$ 14,200,527	\$ 15,636,634	\$ 16,154,702
United States Government securities	—	173,735	234,078	291,371
Accounts receivable—customers installment accounts (net)	8,385,633	7,865,202	8,172,158	6,797,825
Accounts receivable—other	1,266,581	1,247,243	1,132,624	1,067,069
Merchandise inventories	61,725,684	45,676,626	39,564,481	38,294,791
TOTAL CURRENT ASSETS	83,247,852	69,163,333	64,739,975	62,605,758
Investment in Zeller's Limited, at cost	3,616,036	3,616,036	3,559,455	3,559,455
Cash surrender value of life insurance	2,869,063	2,691,172	2,604,069	2,513,236
Recoverable taxes	1,635,000	1,268,000	1,268,000	1,268,000
Miscellaneous investments, employees' accounts receivable, building costs recoverable from landlords, etc.	908,713	2,157,863	1,893,035	1,283,396
Common stock of W. T. Grant Company held for deferred contingent compensation plan, at cost	233,684	139,106	84,636	—
Land and buildings, depreciated	374,979	3,384,053	5,417,925	5,810,430
Furniture and fixtures, depreciated	28,994,855	22,221,137	19,538,832	16,541,549
Improvements to leased properties (net)	7,425,191	12,639,822	13,232,650	12,851,230
Deferred charges	2,491,750	1,937,721	1,890,529	1,760,581
TOTAL ASSETS	\$135,290,911	\$119,218,243	\$114,229,106	\$108,193,635
LIABILITIES, RESERVES, AND CAPITAL:				
Accounts payable and accrued expenses	\$ 23,959,603	\$ 19,079,575	\$ 20,021,511	\$ 17,680,984
Real estate mortgages—current	—	—	—	235,766
Federal taxes on income—estimated (less U. S. Government securities)	4,973,877	3,530,452	2,762,253	1,611,880
TOTAL CURRENT LIABILITIES	28,933,480	22,610,027	22,783,764	19,528,630
Real estate mortgages—deferred	—	—	—	1,573,100
Reserve for inventory reduction, less tax refunds, if retro-active LIFO is sustained	—	3,214,118	3,214,118	3,214,118
Reserve for uninsured risks	1,500,000	1,500,000	1,500,000	1,500,000
Reserve for repairing stores	1,037,395	848,137	793,937	817,905
Reserve for deferred contingent compensation	255,249	141,710	95,160	29,988
CAPITAL:				
Preferred 3¾ % cumulative \$100 par value	15,000,000	15,000,000	15,000,000	15,000,000
Common	15,045,264	13,779,865	13,262,437	12,830,495
Earnings retained for use in the business	73,519,523	62,124,386	57,579,690	53,699,399
TOTAL LIABILITIES, RESERVES, AND CAPITAL	\$135,290,911	\$119,218,243	\$114,229,106	\$108,193,635

SOURCE AND DISPOSITION OF FUNDS

WHERE FUNDS CAME FROM	1956	1955	1954	1953	1952	TOTAL 5 YEARS
<i>(amounts in 000's)</i>						
SALES	\$380,915	\$351,849	\$317,157	\$299,768	\$283,240	\$1,632,929
LESS:						
Merchandise costs, supplies, outside services, etc.	265,258	244,979	220,632	209,170	198,426	1,138,465
Wages and salaries, including miscellaneous benefits	68,023	60,391	54,048	49,912	45,709	278,083
Retirement plan contributions	1,138	1,196	1,383	1,388	1,490	6,595
Social security taxes on payrolls	2,179	1,809	1,585	1,374	1,295	8,242
Rents to landlords less rentals on subleases	15,469	13,499	12,359	11,073	10,067	62,467
Federal, state, and local taxes, excluding social security taxes	15,096	15,684	14,180	15,066	15,322	75,348
Depreciation and amortization	4,814	4,581	4,215	3,740	3,361	20,711
NET INCOME FROM OPERATIONS	\$ 8,938	\$ 9,710	\$ 8,755	\$ 8,045	\$ 7,570	\$ 43,018
Add charges against income which involve no cash outlay:						
Depreciation and amortization	4,814	4,581	4,215	3,740	3,361	20,711
Net increase in reserves	180	122	101	41	175	619
From sale of common stock to employees	643	622	518	432	355	2,570
From sales of land and buildings	494	2,474	1,978	242	2,920	8,108
Recovery of building costs from landlords	—	1,710	—	—	1,776	3,486
From sale of improvements to leased properties	—	3,874	—	—	—	3,874
Funds taken from working capital	—	—	—	1,121	—	1,121
TOTAL FUNDS PROVIDED	\$ 15,069	\$ 23,093	\$ 15,567	\$ 13,621	\$ 16,157	\$ 83,507

HOW FUNDS WERE USED

TOTAL 5 YEARS

	1956	1955	1954	1953	1952	TOTAL 5 YEARS
For dividends to stockholders	\$ 5,496	\$ 4,971	\$ 4,211	\$ 4,188	\$ 4,165	\$ 23,031
For investment in furniture and fixtures	8,021	6,443	5,829	5,665	4,479	30,437
For investment in improvements to leased properties	322	—	420	1,303	1,086	3,131
For building costs recoverable from landlords	—	—	284	544	—	828
For investment in Zeller's Limited	—	—	57	—	3,559	3,616
To reduce mortgages payable	—	—	—	1,573	1,186	2,759
For purchase of common stock for deferred compensation plan	76	19	54	61	—	210
For increases in sundry accounts—net	471	1,089	115	287	167	2,129
Funds added to working capital	683	10,571	4,597	—	1,515	17,366
TOTAL FUNDS USED	<u>\$ 15,069</u>	<u>\$ 23,093</u>	<u>\$ 15,567</u>	<u>\$ 13,621</u>	<u>\$ 16,157</u>	<u>\$ 83,507</u>

(Amounts in 000's)

1907—FINANCIAL AND

Year	No. of Stores	Sales	Pre-Tax Earnings		Net Earnings		Dividends		
			Total	Per Sales \$	Total	Per Sales \$	Preferred	Common	% To Net
1907	1	\$ 99	\$ 10	10.1c	\$ 10	9.8c	\$ —	\$ 8	81.7%
1908	2	169	16	9.5	16	9.6	—	10	61.4
1909	4	399	29	7.3	29	7.2	—	22	76.3
1910	6	753	16	2.1	16	2.1	—	28	170.4
1911	9	1,044	27	2.6	27	2.6	—	12	42.3
1912	12	1,362	26	1.9	26	1.9	5	27	121.9
1913	16	2,001	82	4.1	81	4.0	11	19	36.6
1914	20	2,565	98	3.8	97	3.8	11	17	28.9
1915	23	3,062	191	6.2	189	6.2	11	93	54.7
1916	25	3,660	186	5.1	182	5.0	11	30	22.2
1917	30	4,511	154	3.4	110	2.4	11	33	39.5
1918	32	6,029	205	3.4	109	1.8	11	36	42.7
1919	33	7,942	443	5.6	289	3.7	28	78	36.6
1920	38	10,193	366	3.6	275	2.7	49	75	45.0
1921	45	12,728	406	3.2	296	2.3	57	75	44.7
1922	50	15,383	708	4.6	611	4.0	98	75	28.2
1923	60	20,625	1,566	7.6	1,361	6.6	174	231	29.8
1924	70	25,316	1,624	6.4	1,418	5.6	215	375	41.6
1925	77	30,411	2,218	7.3	1,913	6.3	263	300	29.4
1926	109	36,075	2,537	7.0	2,192	5.9	258	300	25.4
1927	157	43,744	2,754	6.3	2,386	5.5	114	455	23.8
1928	221	55,691	3,217	5.8	2,828	5.1	51	515	20.0
1929	279	65,902	3,420	5.2	3,040	4.6	—	701	23.0
1930	350	71,376	3,837	5.4	3,374	4.7	—	1,188	35.2
1931	404	75,679	3,542	4.7	3,108	4.1	—	1,195	38.5
1932	446	73,087	1,849	2.5	1,612	2.2	—	1,195	74.2
1933	457	78,206	3,860	4.9	3,347	4.3	—	1,195	35.7
1934	465	85,070	3,013	3.5	2,616	3.1	—	1,195	45.7
1935	471	91,982	3,870	4.2	3,334	3.6	—	1,494	44.8
1936	477	98,346	5,791	5.9	4,594	4.7	—	2,869	62.4
1937	480	99,060	4,253	4.3	3,402	3.4	87	2,266	69.2
1938	489	97,516	3,474	3.6	2,766	2.8	349	1,962	83.5
1939	492	103,762	4,785	4.6	3,825	3.7	349	2,260	68.2
1940	492	111,775	5,068	4.5	3,542	3.2	349	1,665	56.9
1941	495	130,556	9,217	7.1	4,446	3.4	349	2,379	61.3
1942	493	154,204	9,684	6.3	3,762	2.4	349	1,665	53.5
1943	493	163,983	10,406	6.4	3,810	2.3	349	1,665	52.9
1944	490	175,461	14,811	8.4	4,092	2.3	349	1,665	49.2
1945	488	180,307	12,568	7.0	4,210	2.3	388	1,784	51.6
1946	484	212,324	17,558	8.3	10,878	5.1	563	5,233	53.3
1947	483	228,636	13,862	6.1	8,679	3.8	563	3,568	47.6
1948	482	233,904	13,071	5.6	7,951	3.4	563	2,379	37.0
1949	480	233,168	13,292	5.7	8,042	3.5	563	3,568	51.4
1950*	477	250,574	15,938	6.4	8,103	3.2	563	3,572	51.0
1951*	482	268,333	19,237	7.2	7,517	2.8	563	3,587	55.2
1952*	491	283,240	18,895	6.7	7,570	2.7	563	3,602	55.0
1953*	502	299,768	18,920	6.3	8,045	2.7	563	3,625	52.1
1954*	520	317,157	18,585	5.9	8,755	2.8	563	3,648	48.1
1955*	574	351,849	20,395	5.8	9,710	2.8	563	4,408	51.2
1956	632	380,915	18,493	4.9	8,938	2.3	563	4,933	61.5

*For these years data are on LIFO

OPERATING RECORD—1956

(Amounts in 000's)

Working Capital		Fixed Assets		Total Assets	Long Term Debt	Capital		Net Worth	Year
Total	% to Sales	Total	% to Sales			Preferred	Common		
\$ 16	16.5%	\$ 3	3.0%	\$ 30	\$ —	\$ —	\$ 16	\$ 19	1907
53	31.2	7	4.1	80	—	—	50	60	1908
82	20.5	15	3.8	125	—	—	80	97	1909
117	15.5	35	4.6	187	—	—	150	155	1910
107	10.2	61	5.9	244	—	—	150	171	1911
179	13.2	132	9.7	411	—	150	150	315	1912
174	8.7	168	8.4	509	—	150	150	365	1913
196	7.6	220	8.6	639	—	150	150	429	1914
247	8.1	252	8.2	772	—	150	150	515	1915
372	10.2	281	7.7	1,016	—	150	150	672	1916
430	9.5	301	6.7	1,485	—	150	150	759	1917
525	8.7	268	4.4	1,402	—	150	150	820	1918
1,194	15.0	271	3.4	2,148	—	650	150	1,507	1919
1,112	10.9	477	4.7	2,480	—	673	150	1,669	1920
1,209	9.5	803	6.3	2,986	—	961	150	2,126	1921
1,803	11.7	1,403	9.1	3,913	75	1,655	150	3,261	1922
2,682	13.0	2,302	11.2	5,860	75	2,500	1,500	5,066	1923
2,749	10.9	4,098	16.2	8,099	275	3,431	1,500	6,832	1924
3,750	12.3	4,478	14.7	9,634	275	3,380	1,500	8,142	1925
4,661	12.9	5,025	13.9	11,078	295	3,263	1,500	9,646	1926
5,200	11.9	6,167	14.1	13,221	330	967	3,787	11,416	1927
5,802	10.4	9,394	16.9	18,462	888	—	6,020	14,926	1928
8,675	13.2	12,579	19.1	24,833	2,118	—	9,796	20,502	1929
10,104	14.2	14,165	19.8	27,628	2,288	—	10,089	22,971	1930
11,285	14.9	15,332	20.3	29,926	2,873	—	10,089	24,799	1931
9,704	13.3	16,101	22.0	30,320	2,038	—	10,089	25,155	1932
12,522	16.0	15,576	19.9	33,118	2,061	—	10,089	27,236	1933
15,215	17.9	15,294	18.0	34,575	3,113	—	10,089	28,595	1934
16,896	18.4	14,554	15.8	35,699	2,115	—	10,089	30,435	1935
18,405	18.7	14,531	14.8	38,618	1,961	—	10,089	32,161	1936
18,580	18.8	14,876	15.0	39,700	1,540	6,978	11,894	34,359	1937
18,313	18.8	15,927	16.3	41,182	2,367	6,977	11,894	34,800	1938
18,776	18.1	16,167	15.6	42,260	2,201	6,977	11,894	36,017	1939
19,871	17.8	16,677	14.9	47,104	2,367	6,977	11,894	37,579	1940
22,777	17.5	18,148	13.9	58,321	4,890	6,977	11,894	39,298	1941
22,449	14.6	19,052	12.4	56,982	4,530	6,977	11,894	41,046	1942
24,689	15.1	18,503	11.3	59,967	4,784	6,977	11,894	42,842	1943
27,359	15.6	18,691	10.7	64,291	6,004	6,977	11,894	44,921	1944
37,920	21.0	18,275	10.1	73,279	5,260	15,000	11,894	53,832	1945
41,519	19.6	19,929	9.4	78,628	5,259	15,000	11,894	58,914	1946
42,359	18.5	23,128	10.1	86,401	4,812	15,000	11,894	63,462	1947
42,988	18.4	27,541	11.8	87,984	4,403	15,000	11,894	68,472	1948
39,729	17.0	33,094	14.2	92,838	3,303	15,000	11,894	72,383	1949
41,712	16.6	32,966	13.2	99,574	3,329	15,000	11,922	77,292	1950
41,562	15.5	35,919	13.4	101,882	2,759	15,000	11,980	80,983	1951
43,077	15.2	35,203	12.4	108,194	1,573	15,000	12,041	84,744	1952
41,956	14.0	38,189	12.7	114,229	—	15,000	12,130	89,056	1953
46,553	14.7	38,245	12.1	119,218	—	15,000	12,220	94,118	1954
57,125	16.2	33,760	9.6	128,215	—	15,000	12,318	99,480	1955
57,808	15.2	36,795	9.7	135,291	—	15,000	12,415	103,565	1956

NEW W. T. GRANT STORES IN 1956

During the year, stores were opened in these 71 communities:

PARK AND SHOP LOCATIONS

AGAWAM, MASS. <i>(Bridge)</i>	JACKSONVILLE, FLA. <i>(Arlington Plaza)</i>	RIVERSIDE, CALIF. <i>(Plaza)</i>
ASHEVILLE, N. C. <i>(Westgate)</i>	JACKSONVILLE, FLA. <i>(Cedar Hills)</i>	ROCHESTER, N. Y. <i>(North Gate)</i>
ASHTABULA, OHIO <i>(Ashtabula Plaza)</i>	KANSAS CITY, MO. <i>(Antioch)</i>	ROCKFORD, ILL. <i>(Northtown Plaza)</i>
AUDUBON, N. J. <i>(Black Horse Pike)</i>	KNOXVILLE, TENN. <i>(Broadway)</i>	ROCKVILLE, MD. <i>(Rockville Center)</i>
BADEN, PA. <i>(Northern Lights)</i>	LIMA, OHIO <i>(Shopping Center)</i>	SANDUSKY, OHIO <i>(Shopping Center)</i>
BELLEVILLE, ILL. <i>(Park Plaza)</i>	MANCHESTER, CONN. <i>(Shopping Center)</i>	SARASOTA, FLA. <i>(Southgate)</i>
CEDAR RAPIDS, IOWA <i>(Town & Country)</i>	MASSAPEQUA PARK, N.Y. <i>(Bar Harbour)</i>	SPRINGFIELD, OHIO <i>(Southern Village)</i>
CINCINNATI, OHIO <i>(Kenwood Plaza)</i>	MELROSE PARK, ILL. <i>(Leyden)</i>	ST. LOUIS COUNTY, MO. <i>(Warson Woods)</i>
CHICAGO, ILL. <i>(Harlem-Irving)</i>	MEMPHIS, TENN. <i>(Summer)</i>	TALLMADGE, OHIO <i>(Midway Plaza)</i>
COLUMBUS, GA. <i>(Town and Country)</i>	MIDLAND, TEXAS <i>(The Village)</i>	TAMPA, FLA. <i>(Northgate)</i>
COLUMBUS, OHIO <i>(Great Eastern)</i>	MISSION, KAN. <i>(Shopping Center)</i>	TAMPA, FLA. <i>(Britton Plaza)</i>
CUDAHY, WISC. <i>(Packard Plaza)</i>	NEW CASTLE, PA. <i>(Call Plaza)</i>	TEMPE, ARIZ. <i>(Shopping Center)</i>
DALLAS, TEXAS <i>(Casa View)</i>	OXNARD, CALIF. <i>(Oxnard Super)</i>	TOLEDO, OHIO <i>(Great Eastern)</i>
DALY CITY, CALIF. <i>(Westlake)</i>	PANORAMA CITY, CALIF. <i>(Shopping Center)</i>	TULSA, OKLA. <i>(Eastgate)</i>
DENVER, COLO. <i>(University Hills)</i>	PARLIN, N. J. <i>(Sayre Woods)</i>	VENICE, CALIF. <i>(Lincoln Center)</i>
DENVER, COLO. <i>(Lakeside)</i>	PENSACOLA, FLA. <i>(Town & Country)</i>	WAUKEGAN, ILL. <i>(Shopping Center)</i>
DETROIT, MICH. <i>(Belmont)</i>	PITTSBURGH, PA. <i>(The Pines)</i>	WEST SENECA, N. Y. <i>(Southgate Plaza)</i>
DeWITT, N. Y. <i>(Shoppingtown)</i>	PITTSBURGH, PA. <i>(North Park)</i>	WILLIAMSVILLE, N. Y. <i>(Transitown)</i>
FORT WAYNE, IND. <i>(Southgate)</i>	PLAINVIEW, N. Y. <i>(Morton Village)</i>	
HAMILTON, O. <i>(Hamilton Plaza)</i>	POMPTON LAKES, N. J. <i>(Shopping Center)</i>	
HIALEAH, FLA. <i>(Flamingo)</i>	PORTLAND, ORE. <i>(Gateway)</i>	
HOUSTON, TEXAS <i>(Gulfgate)</i>	READING, PA. <i>(Shillington)</i>	
HOUSTON, TEXAS <i>(Northshore Village)</i>	ROCHESTER, N. Y. <i>(Southtown)</i>	

DOWNTOWN LOCATIONS

ALMA, MICHIGAN
ASHLAND, OHIO
LANSDALE, PA.
PITMAN, N. J.
POTSDAM, N. Y.
QUINCY, MASS.
WAPAKONETA, O.



1906

1956

W. T. GRANT CO. • 1441 BROADWAY • NEW YORK, N. Y.

TELEPHONE
GRANT